

STAT

LN 501

21 January 1959

DPB-0636-59
COPY 1 OF 2

Subject: Contract HF-CT-696; Request for Additional Funds

Dear Sir:

Pursuant to the provisions of Part VII - FUNDS ALLOTTED and paragraph (c) of Part I - ARTICLES AND SUPPLIES TO BE FURNISHED of the schedule of the subject contract, we wish to advise you that we are of the opinion that the cost of providing items to Customer No. 2 under this contract, through the period ending 30 June 1959, will exceed the amount allotted to Customer No. 2.

Contractor has discussed the level of support operations with Customer No. 2's representatives at Warner Robins Air Materiel Area. They are of the opinion that requirements for the second half of this contract period will be approximately equal to the requirements of the first half. We have computed the total additional funds required for Customer No. 2 as follows:

<u>Item</u>	<u>Amount</u>
Film Spool Conversion (non-recurring)	\$18,000.
Maintenance Spares (first half - actual)	33,726.
Maintenance Spares (second half-estimated)	<u>35,774.</u>
Total	\$87,500.
Less Present Amount Allotted	<u>67,500.</u>
Additional Funds Required	<u><u>\$20,000.</u></u>

Contractor, therefore, requests that the funds allotted to Customer No. 2 be increased by \$20,000 to a new total allotment of \$87,500 for the period 1 July 1958 through 30 June 1959.

Very truly yours,

HYCON MFG. COMPANY

Vice President, Engineering

HRE/pe